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SENATE BILL 54

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

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AN ACT

RELATING TO STATE BUILDINGS; AMENDING THE STATE BUILDING
BONDING ACT TO PROVIDE THAT THE ACT APPLIES ONLY TO THE
ACQUISITION OF STATE OFFICE BUILDINGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the State Building Bonding
Act, Section 6-21C-2 NMSA 1978, is enacted to read:

"6-21C-2. [NEW MATERIAL] FINDINGS AND PURPOSE. --

A. The legislature finds that the expense of
leasing office space for state occupancy has grown to the point
that the state would be better served if more state-owned
facilities were acquired. The legislature further finds that
the state's overall occupancy costs could be reduced even after
taking into account the payments necessary on bonds issued to
acquire additional facilities and that, therefore, it is

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1 economically advantageous for the state to own additional
2 office space. Further, in anticipation of the state's future
3 office space needs, the legislature finds it prudent to
4 establish an office acquisition program.

5 B. The purpose of the State Building Bonding Act is
6 to acquire additional state office buildings by issuing bonds
7 paid for with distributions of gross receipts tax revenue that
8 reflect a portion of the savings that will result from the
9 conversion to more state-owned facilities."

10 Section 2. Section 6-21C-3 NMSA 1978 (being Laws 2001,
11 Chapter 199, Section 3, as amended) is amended to read:

12 "6-21C-3. DEFINITIONS. -- As used in the State Building
13 Bonding Act:

14 A. "acquiring" or "acquisition" includes acquiring
15 or acquisition by purchase, construction or renovation; and

16 B. "building bonds" means state office building tax
17 revenue bonds [~~or state museum tax revenue bonds~~]. "

18 Section 3. Section 6-21C-4 NMSA 1978 (being Laws 2001,
19 Chapter 199, Section 4, as amended) is amended to read:

20 "6-21C-4. NEW MEXICO FINANCE AUTHORITY SHALL ISSUE
21 BUILDING BONDS-- APPROPRIATION OF PROCEEDS. --

22 A. The New Mexico finance authority is authorized
23 to issue and sell revenue bonds, known as "state office
24 building tax revenue bonds", payable solely from the state
25 building bonding fund, in compliance with the State Building

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1 Bonding Act for the purpose of acquiring state office buildings
2 when the acquisition has been reviewed by the capitol buildings
3 planning commission and has been authorized by legislative act
4 and the director of the property control division of the
5 general services department has certified the need for the
6 issuance of the bonds.

7 ~~[B. The New Mexico finance authority is authorized~~
8 ~~to issue and sell revenue bonds, known as "state museum tax~~
9 ~~revenue bonds", payable solely from the state building bonding~~
10 ~~fund, in compliance with the State Building Bonding Act for the~~
11 ~~purpose of renovating and maintaining existing structures and~~
12 ~~developing permanent exhibits at state museums and monuments~~
13 ~~when the renovation, maintenance or exhibit development has~~
14 ~~been authorized by legislative act, the state cultural affairs~~
15 ~~officer has certified the need for the issuance of the bonds~~
16 ~~and, in the case of a renovation or maintenance of an existing~~
17 ~~structure, the renovation or maintenance has been reviewed by~~
18 ~~the capitol buildings planning commission.~~

19 ~~C.]~~ B. The net proceeds from the [state office]
20 building [tax revenue] bonds are appropriated to the property
21 control division of the general services department for the
22 purpose of acquiring state office buildings, the acquisition of
23 which shall be consistent with the State Building Bonding Act
24 and the authorizing legislation.

25 ~~[D. The net proceeds from the state museum tax~~

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1 ~~revenue bonds are appropriated to the office of cultural~~
2 ~~affairs for the purpose of renovating and maintaining existing~~
3 ~~structures and developing permanent exhibits at state museums~~
4 ~~and monuments, the renovation, maintenance or exhibit~~
5 ~~development of which shall be consistent with the State~~
6 ~~Building Bonding Act and the authorizing legislation.]"~~

7 Section 4. Section 6-21C-5 NMSA 1978 (being Laws 2001,
8 Chapter 199, Section 5, as amended) is amended to read:

9 "6-21C-5. STATE BUILDING BONDING FUND CREATED-- MONEY IN
10 THE FUND PLEDGED. --

11 A. The "state building bonding fund" is created as
12 a special fund within the New Mexico finance authority. The
13 fund shall be administered by the New Mexico finance authority
14 as a special account. The fund shall consist of money
15 appropriated and transferred to the fund and gross receipts tax
16 revenues distributed to the fund by law. Earnings of the fund
17 shall be credited to the fund. Balances in the fund at the end
18 of any fiscal year shall remain in the fund, except as provided
19 in this section.

20 B. Money in the state building bonding fund is
21 pledged for the payment of principal and interest on all
22 building bonds issued pursuant to the State Building Bonding
23 Act. Money in the fund is appropriated to the New Mexico
24 finance authority for the purpose of paying debt service,
25 including redemption premiums, on the building bonds and the

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1 expenses incurred in the issuance, payment and administration
2 of the bonds.

3 C. On the last day of January and July of each
4 year, the New Mexico finance authority shall estimate the
5 amount needed to make debt service and other payments during
6 the next twelve months from the state building bonding fund on
7 the building bonds issued pursuant to the State Building
8 Bonding Act plus the amount that may be needed for any required
9 reserves. The New Mexico finance authority shall transfer to
10 the general fund any balance in the state building bonding fund
11 above the estimated amounts.

12 D. Any balance remaining in the state building
13 bonding fund shall be transferred to the general fund upon
14 certification by the New Mexico finance authority that:

15 (1) the director of the property control
16 division of the general services department [~~in the case of~~
17 ~~state office building tax revenue bonds, and the state cultural~~
18 ~~affairs officer, in the case of state museum tax revenue bonds]~~
19 and the New Mexico finance authority have agreed that the
20 building bonds issued pursuant to the State Building Bonding
21 Act have been retired, that no additional obligations of the
22 state building bonding fund exist and that no additional
23 expenditures from the fund are necessary; or

24 (2) a court of jurisdiction has ruled that the
25 building bonds have been retired, that no additional

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1 obligations of the state building bonding fund exist and that
2 no additional expenditures from the fund are necessary.

3 E. The building bonds issued pursuant to the State
4 Building Bonding Act shall be payable solely from the state
5 building bonding fund or, with the approval of the bondholders,
6 such other special funds as may be provided by law and do not
7 create an obligation or indebtedness of the state within the
8 meaning of any constitutional provision. No breach of any
9 contractual obligation incurred pursuant to that act shall
10 impose a pecuniary liability or a charge upon the general
11 credit or taxing power of the state, and the bonds are not
12 general obligations for which the state's full faith and credit
13 is pledged.

14 F. The state does hereby pledge that the state
15 building bonding fund shall be used only for the purposes
16 specified in this section and pledged first to pay the debt
17 service on the building bonds issued pursuant to the State
18 Building Bonding Act. The state further pledges that any law
19 authorizing the distribution of taxes or other revenues to the
20 state building bonding fund or authorizing expenditures from
21 the fund shall not be amended or repealed or otherwise modified
22 so as to impair the bonds to which the state building bonding
23 fund is dedicated as provided in this section. "

24 Section 5. Section 6-21C-8 NMSA 1978 (being Laws 2001,
25 Chapter 199, Section 8, as amended) is amended to read:

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1 "6-21C-8. PROCEDURE FOR SALE OF BUILDING BONDS. --

2 A. Building bonds shall be sold by the New Mexico
3 finance authority at such times and in such manner as the
4 authority may elect, consistent with the need of the property
5 control division of the general services department [~~or the~~
6 ~~office of cultural affairs~~], either at private sale for a
7 negotiated price or to the highest bidder at public sale for
8 cash at not less than par and accrued interest.

9 B. In connection with any public sale of building
10 bonds, the New Mexico finance authority shall publish a notice
11 of the time and place of sale in a newspaper of general
12 circulation in the state and also in a recognized financial
13 journal outside the state. Such publication shall be made once
14 each week for two consecutive weeks prior to the date fixed for
15 such sale, the last publication to be two business days prior
16 to the date of sale. Such notice shall specify the amount,
17 denomination, maturity and description of the bonds to be
18 offered for sale and the place, day and hour at which sealed
19 bids therefor shall be received. All bids, except that of the
20 state, shall be accompanied by a deposit of two percent of the
21 principal amount of the bonds. Deposits of unsuccessful
22 bidders shall be returned upon rejection of the bid. At the
23 time and place specified in such notice, the New Mexico finance
24 authority shall open the bids in public and shall award the
25 bonds, or any part thereof, to the bidder or bidders offering

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1 the best price. The New Mexico finance authority may reject
2 any or all bids and readvertise.

3 C. The New Mexico finance authority may sell a
4 building bond issue, or any part thereof, to the state or to
5 one or more investment bankers or institutional investors at
6 private sale."

7 Section 6. TEMPORARY PROVISION--OUTSTANDING STATE MUSEUM
8 TAX REVENUE BONDS.--Nothing in this act shall be deemed to
9 impair state museum tax revenue bonds outstanding on the
10 effective date of this act. For the purposes of the
11 obligations incurred with respect to those bonds:

12 A. the bonds shall be deemed to be "building bonds"
13 pursuant to the provisions of the State Building Bonding Act;

14 B. money in the state building bonding fund is
15 pledged for the payment of principal and interest on those
16 bonds to the same extent as the fund was pledged prior to the
17 effective date of this 2004 act; and

18 C. the state further pledges that any law
19 authorizing the distribution of taxes or other revenues to the
20 state building bonding fund or authorizing expenditures from
21 the fund shall not be amended or repealed or otherwise modified
22 so as to impair those bonds.